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UNCLAS YEREVAN 000470

SIPDIS

SENSITIVE

DEPT FOR EUR/CACEN, EB/IPC FOR WILSON
PLS PASS TO USTR BPECK, DOC KSCHLEGELMILCH, USPTO
JURBAN/DLASHLY-JOHNSON, LOC STEPP

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [KIPR](#) [AM](#)

SUBJECT: ARMENIA SPECIAL 301 COMMENTS

REF: STATE 29551

[1](#)1. (U) Sensitive But Unclassified. Please protect accordingly.

SUMMARY

[1](#)2. (SBU) Post recommends that Armenia remain off the Special 301 Watch List for 2004. Music and video piracy does exist in Armenia, but industry losses in the Armenian market are probably small and the government is growing more and more committed to the protection of intellectual property rights. USAID is currently working closely with the GOAM to develop an enforcement action plan and IPR-related training programs. End Summary.

LEGISLATION TRIPS-COMPLIANT

[1](#)3. (SBU) Armenia's legislation is Trade-Related Aspects of Intellectual Property Rights (TRIPS)-compliant, but application is not. Intellectual Property Rights (IPR) legislation is new to Armenia, and enforcement officials have yet to develop the capacity to enforce intellectual property rights. A new USAID-financed team of experts is working with law enforcement agencies to strengthen enforcement, with courts and judges to educate them about TRIPS and new IPR legislation, and with the State Customs Committee to help them IPR regulations at the borders. To move Armenia to the Watch List now would likely hurt rather than help these efforts.

[1](#)4. (SBU) Armenia's government is aware that Armenia has IPR concerns of its own. One of Armenia major producers and exporters, Yerevan Brandy Company, is taking measures to guard against the counterfeiting of its label by foreign brandy imposters. Armenia's growing industry in software and computer design development also depends on the assiduous protection of intellectual property rights. Deputy Minister of Trade Tigran Davtian, who is charged to meet Armenia's WTO commitments, told us that he was committed to pursue steady progress towards "credible protection of IPR." He added that, in his opinion, change must be steady and comprehensive rather than knee-jerk: raiding CD markets could simply send the industry underground rather than encourage retailers to stop selling pirated goods.

[1](#)5. (SBU) Post believes that Armenia's deficiencies in intellectual property protection are not due to a lack of will or intention to comply with international standards, but rather a lack of enforcement capacity and resources. The shift in U.S. assistance from helping Armenia pass TRIPS-compliant legislation in the run-up to WTO accession to enforcement of that legislation promises steady gains in combating piracy in the future. Post believes that as long as the government is working successfully with the USAID-financed program to improve IPR enforcement, any change for the worse of Armenia's status on the Section 301 Watch Lists has the potential to do more harm than good.
ORDWAY